651 paying income-tax for three years. In the reoccupied territories the Hungarian house-owners who were not granted provisional tax exemption under the nationalistic policy of the Succession States, now receive such exemption.

Enlisted men.

651 729 In connection with the war the Government introduced several new tax exemption measures. For instance, the Government remits even those taxes of soldiers killed in action which were not remittable previously. Cancellation of some of the taxes can be requested by the enlisted men, and they, or their landlords, can claim rental tax exemption.

Real estate tax exemptions.

651 The Government made important concessions to the farmers in land tax levies. In 1929 the rate of land tax was scaled down, and during the economic depression the Government reimbursed the impoverished farmers for the land tax already paid by them. Since then this concession is renewed yearly. Tax reductions were given for regrafting vineyards, and farmers receive tax benefits under Act XXII of 1940 for damage caused by the elements. Between 1939 and 1942 Hungary suffered extensive flood damage every year, and the farmers thus affected received additional government concessions and compensation.

• [731]

Special privileges.
Reduction of tax penalties.

In the interests of agrarian social welfare, and to restore parity of farm prices, numerous measures were adopted, among them the reduction of tax penalties almost

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Aid to flood victims.

In Hungary, the plains particularly were devastated by extensive floods in recent years. The floods had their origin outside the country and Hungary had no control over preventive measures, as most of the tributaries of the Danube — especially their sources — were on foreign soil after the war. The Succession States neglected the regulation of their flow, and added to this by denuding some of the mountains of their forests which normally absorbed a large part of the rainfall. After winters of unusually high precipitation a greater volume of water than was ever recorded before rushed down to the Hungarian plains.

Voluntary donations helped to relieve, in a small measure, the suffering caused by these disasters, but the expense was largely born by the state. To illustrate the extent of the damage: the Ministry of the Interior alone distributed 20 million pengős among the flood victims; almost 5000 houses had to be rebuilt and 14,000 others repaired by the state. The work of rebuilding was hampered by war-time shortage of material, and supplies had to be controlled centrally.

Employment of returned soldiers.

The men from the farms who were released from the army had to be provided with work. This problem had to be solved by the state after the re-occupation of the northern, north-eastern, Transylvanian and eastern territories, and on a smaller scale after the re-occupation of the southern territories. The year 1940 was a most difficult one in this respect, as during that summer a large proportion of the country's male population was on active